

LITTLE ROCK, ARKANSAS

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## FEDERAL-STATE MARKET NEWS

1/ California: U.S. No. 1. Southern States: U.S. No. 2 but broken not to exceed 4 percent.  
2/ U.S. No. 4 or better, bulk.

In the south, long grain rice prices were steady to 3.00 lower, quoted mostly 36.50-40.00; medium grain prices were steady to 2.00 higher in very tight supply, quoted mostly at 44.00-46.50; parboiled rice prices were steady to 3.00 lower, quoted mostly at 39.50-44.00; second heads were steady, quoted mostly at 28.00-29.00; brewers were steady, quoted mostly at 25.00-26.00. Rice by-products: Offers for rice bran were uneven. Millfeed was steady to 5.00 higher; and hulls were steady to 5.00 higher.

In California, medium grain milled rice prices were steady, quoted mostly at 46.50-47.50; short grain prices were steady; second heads were steady, quoted mostly at 35.00-37.00; brewers were steady, quoted mostly at 26.00-28.00. Rice bran was steady, quoted mostly at 165.00; rice hulls were steady.

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WORLD RICE PRICES  
September 3, 2008

Whole Kernel Repayment Rate  
Long Grain: \$27.40 per cwt.  
Medium/Short Grain: \$27.06 per cwt.  
Broken: \$18.44 per cwt.

Loan Deficiency Payment Rate  
Long Grain: \$0.00  
Medium/Short Grain: \$0.00

ROUGH RICE FUTURES  
As of September 4, 2008

Sep 08 – 18.76                      Nov 08 – 18.96                      Jan 09 – 19.26                      Mar 09 – 19.56                      May 09 – 19.82

THAILAND WEEKLY RICE REPORT  
September 2, 2008

Indicative Prices (Week Ending Sep. 1):

Thailand: Export (FOB) Prices for various grades of rice (USD/M.T.)

	Exporter Observations							Period Avg.	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100 B	790	-	-	-	810	800	-	800	813
WR 100 B	680	-	720	680	670	730	650	688	678
PB 5%	-	-	750	-	700	740	670	715	690
WR 5%	665	-	710	670	650	710	640	674	665
WR 10%	-	-	-	-	-	-	-	-	661
WR 15%	-	-	-	-	-	-	-	-	650
WR 25%	-	-	-	-	-	675	-	675	640
WR 35%	-	-	-	-	-	-	-	-	-
A 1 SUP	400	-	-	-	410	450	450	428	445
A 1 SPEC	-	-	-	-	-	-	-	-	-

Source: Average actual prices received from exporters, Exchange rate: 34 baht/U.S.\$

**Market Tone:** Export and domestic prices of premium white rice increased by 2-7 percent in response to aggressive shipments of parboiled rice. Parboiled rice prices continued to increase as exporters secured parboiled supplies for outstanding contracts African countries, particularly Nigeria. Current demand for parboiled rice strengthened white rice prices as millers continue to secure white rice paddy for parboiled production.

The Government is expected to increase the current second-crop intervention program target from 2.5 million tons of paddy to 3.5 million tons in order to cover all paddy harvested until the end of the program on September 30. So far, the Government has already bought 2.0 million tons valued at 21 billion baht (\$618 million). Currently the program is absorbing up to 40,000 – 50,000 tons of paddy/day as market prices for the current harvest are 3,000 baht/ton (\$88/MT) lower than intervention prices.

Meanwhile, last week’s enquiry from the Malaysian Government for the government-to-government sales on 100,000 tons of 5% grade white rice is still tentative. Exporters expect Malaysia will likely buy Vietnamese rice which is \$100-\$200/MT lower than Thai rice.

The following are the reported rice exports (as is basis):

WEEK ENDING	QUANTITY	4-WK AVG	YEAR TO DATE	YEAR AGO	YEAR TO DATE AS % OF LAST YEAR
	(MT)	(MT)	(TMT)	(TMT)	%
JUN 29	212,103	190,391	4,503	2,579	74.5
JUL 6	168,072	179,923	4,671	2,679	74.3
JUL 13	171,699	177,731	4,843	2,784	73.9
JUL 20	178,180	182,513	5,021	2,877	74.5
Jul 27	182,769	175,180	5,204	2,980	74.6
Aug 3	101,488	158,534	5,305	3,062	73.3
Aug 10	122,027	146,116	5,427	3,165	71.4
Aug 17	125,268	132,888	5,553	3,254	70.6
Aug 24	155,649	126,108	5,708	3,355	70.2
Aug 31	154,550	139,373	5,863	3,442	70.4

*Note on data: Export figures since March 22, 2002, do not include fragrant rice. The authority to report fragrant rice exports was moved from the Thai Board of Trade to the Ministry of Commerce’s Office of Commodity Standards, which does not release official fragrant rice export data. FAS/BKK will report only official export numbers from the Board of Trade for non-fragrant and from the Office of Commodity Standards for fragrant rice when available, but the reader should bear in mind the difference between the data.*

Unofficial exports (excluding fragrant rice) for Aug 25-29, 2008 totaled 154,550 down 1,099 the previous week, and up 15,177 from the four-week moving average of 139,373 tons. Exports during Jan. 1 – Aug 31, 2008 totaled 5,862,894 tons, as compared with 3,441,512 tons in the previous year.

According to the Department of Foreign Trade, Ministry of Commerce, total rice exports (including fragrant rice) during Jan. 1 – Aug 22, 2008, amounted to 7,366,532 tons, up 42.9 percent from 5,155,993 tons in the previous year.

Rice: Net sales of 21,200 MT were 78 percent below the previous week and 43 percent under the prior 4-week average. Increases reported for Mexico (7,800 MT), Venezuela (7,000 MT), Nicaragua (4,800 MT), and Canada (1,200 MT), were partially offset by decreases for Jordan (1,300 MT) and Ghana (900 MT). Exports of 41,700 MT were 45 percent above the previous week, but 26 percent under the prior 4-week average. The primary destinations were Saudi Arabia (9,400 MT), Haiti (6,000 MT), Ghana (6,000 MT) Mexico (3,600 MT), Canada (3,600 MT), and the Leeward and Windward Islands (3,000 MT).

ALL RICE		MARKETING YEAR 08/01 - 07/31					
OUTSTANDING EXPORT SALES AND EXPORTS BY COUNTRY, REGION AND MARKETING YEAR							
1000 METRIC TONS		AS OF AUGUST 28, 2008					
		CURRENT MARKETING YEAR				NEXT MARKETING YEAR	
		OUTSTANDING SALES:ACCUMULATED EXPORTS: OUTSTANDING SALES					
DESTINATION		THIS WEEK:	YR AGO:	THIS WEEK:	YR AGO	SECOND YR:	THIRD YR
EUROPEAN UNION - 27	:	14.4	15.0	7.5	7.5	0.0	0.0
AUSTRIA	:	0.0	0.0	0.1	*	0.0	0.0
BELGIUM	:	0.0	2.8	0.0	0.0	0.0	0.0
CYPRUS	:	0.0	0.1	0.0	0.0	0.0	0.0
CZECH RE	:	0.0	0.0	0.0	*	0.0	0.0
DENMARK	:	0.0	0.0	0.1	*	0.0	0.0
FINLAND	:	0.0	0.1	0.0	0.0	0.0	0.0
FRANCE	:	0.1	0.1	0.1	0.1	0.0	0.0
GERMANY	:	1.4	0.1	1.5	0.5	0.0	0.0
IRELAND	:	0.0	0.0	0.0	0.0	0.0	0.0
ITALY	:	*	*	*	0.0	0.0	0.0
LATVIA	:	0.0	*	*	0.0	0.0	0.0
MALTA	:	0.0	0.2	0.0	0.0	0.0	0.0
NETHLDS	:	0.1	0.1	0.2	0.1	0.0	0.0
ROMANIA	:	0.5	0.0	0.0	0.0	0.0	0.0
SLOVAKIA	:	0.0	0.0	*	0.0	0.0	0.0
SPAIN	:	0.1	0.1	0.4	0.1	0.0	0.0
SWEDEN	:	*	0.3	*	0.2	0.0	0.0
U KING	:	12.3	11.2	5.1	6.5	0.0	0.0
OTHER EUROPE	:	3.1	0.9	7.0	*	0.0	0.0
GIBRALT	:	0.0	*	0.0	0.0	0.0	0.0
ICELAND	:	0.1	0.1	*	0.0	0.0	0.0
NORWAY	:	0.0	*	*	*	0.0	0.0
SWITZLD	:	0.1	0.7	0.0	*	0.0	0.0
TURKEY	:	3.0	0.0	7.0	0.0	0.0	0.0
FORMER SOVIET UNION-12:		0.5	*	0.3	*	0.0	0.0
RUSSIA	:	0.4	*	0.3	0.0	0.0	0.0
UKRAINE	:	0.1	*	*	*	0.0	0.0
JAPAN	:	0.0	1.2	0.4	1.5	0.0	0.0
TAIWAN	:	0.0	0.0	*	0.2	0.0	0.0
OTHER ASIA AND OCEANIA:		164.4	181.9	42.4	25.3	0.0	0.0
AUSTRAL	:	1.5	0.7	3.9	1.8	0.0	0.0
FR P IS	:	0.0	*	0.0	0.0	0.0	0.0
GUAM	:	0.1	0.3	0.4	0.4	0.0	0.0
HG KONG	:	0.2	0.2	*	*	0.0	0.0
INDNSIA	:	0.0	*	*	0.0	0.0	0.0
IRAQ	:	0.0	120.0	0.0	0.0	0.0	0.0
ISRAEL	:	6.1	5.3	5.2	0.6	0.0	0.0
JORDAN	:	12.1	14.3	8.9	6.1	0.0	0.0
KUWAIT	:	0.0	0.1	0.0	0.0	0.0	0.0
LEBANON	:	1.1	0.9	1.8	0.2	0.0	0.0
MALAYSA	:	0.0	0.0	0.0	*	0.0	0.0
MICRONES	:	*	*	0.3	0.2	0.0	0.0
N ZEAL	:	0.1	0.1	0.2	0.1	0.0	0.0
NEW GUI	:	43.7	0.0	1.8	0.0	0.0	0.0
NMARIANA	:	*	0.1	0.1	0.2	0.0	0.0
PALAU	:	0.1	*	0.0	0.0	0.0	0.0
PHIL	:	46.0	0.0	0.0	0.0	0.0	0.0
QATAR	:	0.1	0.0	0.0	0.1	0.0	0.0
S ARAB	:	51.4	36.9	16.9	14.3	0.0	0.0
S LANKA	:	*	0.0	0.0	0.0	0.0	0.0
SINGAPR	:	0.1	0.4	0.4	0.2	0.0	0.0
SYRIA	:	0.6	0.0	0.5	*	0.0	0.0
U AR EM	:	1.2	1.0	0.8	0.3	0.0	0.0
W SAMOA	:	0.0	0.0	0.0	*	0.0	0.0
YEMEN	:	0.0	1.4	1.0	0.7	0.0	0.0
AFRICA	:	36.4	34.8	8.7	7.5	0.0	0.0
ALGERIA	:	0.6	0.0	0.2	0.0	0.0	0.0
ANGOLA	:	0.0	*	0.0	0.0	0.0	0.0
BENIN	:	0.0	0.0	0.2	0.0	0.0	0.0
DJIBOUTI	:	0.2	0.3	0.0	0.0	0.0	0.0
EGYPT	:	0.0	0.1	0.0	0.0	0.0	0.0
GHANA	:	27.6	27.7	6.3	6.1	0.0	0.0
GUIN-CON	:	1.1	0.4	0.6	0.4	0.0	0.0
LIBERIA	:	6.8	6.2	1.0	0.7	0.0	0.0
LIBYA	:	0.1	*	0.3	0.3	0.0	0.0
NIGERIA	:	*	0.1	0.0	0.0	0.0	0.0
REP SAF	:	0.0	*	0.0	0.0	0.0	0.0
SWAZLND	:	0.0	0.0	*	0.0	0.0	0.0
WESTERN HEMISPHERE	:	448.8	273.9	144.2	167.2	0.0	0.0
BAHAMAS	:	0.3	0.5	0.5	0.4	0.0	0.0
BARBADO	:	0.1	0.1	0.1	0.1	0.0	0.0
BELIZE	:	0.0	*	0.0	0.0	0.0	0.0
BERMUDA	:	0.0	0.3	0.0	0.0	0.0	0.0
BRAZIL	:	*	0.0	0.0	0.0	0.0	0.0
C RICA	:	0.0	*	33.3	0.0	0.0	0.0
CANADA	:	28.5	32.3	12.8	10.6	0.0	0.0
CAYMAN	:	0.0	0.1	0.0	0.0	0.0	0.0
CHILE	:	0.0	0.0	0.0	7.6	0.0	0.0
COLOMB	:	0.0	*	0.0	0.0	0.0	0.0
CUBA	:	0.0	8.5	0.0	0.0	0.0	0.0
DOM REP	:	4.0	1.6	0.7	0.0	0.0	0.0
F W IND	:	0.0	*	0.0	0.0	0.0	0.0
GUATMAL	:	18.9	1.4	1.1	0.1	0.0	0.0
HAITI	:	49.2	46.7	31.1	26.8	0.0	0.0
HONDURA	:	10.2	14.0	7.4	7.4	0.0	0.0
JAMAICA	:	26.9	0.1	0.2	3.5	0.0	0.0
LW WW I	:	7.6	*	4.5	0.0	0.0	0.0
MEXICO	:	177.4	154.9	28.2	82.3	0.0	0.0
N ANTIL	:	0.9	0.3	0.1	0.4	0.0	0.0
NICARAG	:	40.8	4.9	17.9	22.9	0.0	0.0
PANAMA	:	0.2	0.2	*	*	0.0	0.0
PERU	:	0.1	0.1	0.0	0.0	0.0	0.0
SALVADR	:	17.7	7.9	1.1	5.1	0.0	0.0
TRINID	:	0.0	*	0.2	*	0.0	0.0
TURK IS	:	0.0	0.0	0.1	*	0.0	0.0
VENEZ	:	66.0	*	4.9	0.0	0.0	0.0
VIRGIN I	:	0.1	0.1	*	*	0.0	0.0
TOTAL KNOWN	:	667.7	507.7	210.5	209.3	0.0	0.0
TOTAL UNKNOWN	:	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL KNOWN & UNKNOWN	:	667.7	507.7	210.5	209.3	0.0	0.0
EXPORTS FOR OWN ACCT	:	-	-	0.0	0.0	-	-
OPTIONAL ORIGIN	:	0.0	0.0	-	-	0.0	0.0